

Message Text

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ACTION IO-14

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FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 3500

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E. O. 11652: N/A

TAGS: AORG AFIN EAID IAEA

SUBJECT: FINANCING OF IAEA TECHNICAL ASSISTANCE

REF: IAEA VIENNA 7897

1. SUMMARY: DG'S STUDY OF FINANCING OF TECHNICAL ASSISTANCE, PER JUNE BOARD REQUEST, WILL PROBABLY BE RELATIVELY BRIEF AND COME TO NEGATIVE CONCLUSION AS REGARDS FINANCING FROM AGENCY'S REGULAR BUDGET. NO DECISION YET FIRM ON TIMING OF SUBMISSION TO BOARD, BUT MATTER WILL NOT BE ON AGENDA AT NOVEMBER SESSION OF TA COMMITTEE. ACTION REQUESTED: SEE PARA 12 BELOW. END SUMMARY.

2. JUNE BOARD REQUESTED THAT DG STUDY QTE POSSIBILITIES AND IMPLICATIONS OF ALL MODES OF FINANCING THE PROVISION OF TECHNICAL ASSISTANCE BY THE AGENCY, INCLUDING IN PARTICULAR FINANCING FROM THE REGULAR BUDGET UNQTE (GOV/OR.457, PARA 28). 17TH GENERAL CONFERENCE ADOPTED RESOLUTION NOTING BOARD'S DECISION AND REQUESTING BOARD TO PRESENT REPORT, INCLUDING TEXT OF DG'S STUDY, TO 18TH GC IN SEPT. 1974.

3. NO SINGLE DRAFTING OFFICER FOR STUDY HAS BEEN DESIGNATED. DDG (TECH ASSISTANCE) GOSWAMI (INDIA) AND ACTING DIRECTOR OF TA DIVISION LLOYD (UK) WILL PROBABLY HAVE CO-ORDINATING ROLE AND DO MOST OF

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ACTUAL WORK.

4. THEIR PRESENT INCLINATION IS TO PREPARE RELATIVELY SHORT STUDY WHICH WOULD AVOID EXTENSIVE REVIEW OF COMPOSITION AND DIRECTION OF ALL AGENCY PROGRAMS SIMILAR TO ONE PREPARED IN 1966-67 (GC(XI):362). BOARD CONSENSUS WOULD BE READ LITERALLY AS CALLING ONLY FOR ASSESSMENT OF CONCRETE POSSIBILITIES AND IMPLICATIONS OF PRESENT AND OTHER POSSIBLE FORMS OF FINANCING. STUDY WOULD HAVE TO NOTE THAT VIRTUALLY ALL MAJOR DONORS, INCLUDING US, HAVE STATED ON COMMITTEE, BOARD OR GC RECORD THEIR CATEGORICAL OBJECTION TO FINANCING OF TA FROM REGULAR BUDGET. LIKELY CONCLUSION WILL BE THAT PRIMARY IMPLICATION OF SUCH FINANCING WOULD BE DRASTIC FINANCIAL LOSS OF SUPPORT FOR AGENCY PROGRAMS OF DIRECT TA TO MEMBER LDCS.

5. AT THIS POINT, SECRETARIAT IS NOT RPT NOT PLANNING EFFORT TO FORMALLY ELICIT VIEW OF MEMBER STATES ON SUBJECT, FEELING THAT SUCH VIEWS ARE AMPLY REFLECTED IN MEETING RECORDS. COMMENT: SUCH EFFORT WOULD PROBABLY OVER-DRAMATIZE ISSUE TO LDCS AND BE COUNTER-PRODUCTIVE IN ANY EVENT. END COMMENT.

6. NO DECISION YET MADE ON TIMING AND VENUE OF INITIAL SUBMISSION BY DG TO BOARD, EXCEPT FOR GENERAL AGREEMENT THAT IT NOT RPT NOT PHYSICALLY POSSIBLE TO HAVE ANY SORT OF STUDY READY IN TIME FOR SUBMISSION TO NOV. 29 SESSION OF BOARD'S TA COMMITTEE. THERE WAS SOME DISCUSSION IN GC PT&B COMMITTEE (REFTEL) OF SUBMITTING MATTER TO A SESSION OF TAC, BUT SECRETARIAT HAS CONSULTED INFORMALLY WITH SOME LDC SPONSOR OF GC RES, WHO REPORTEDLY FELT THAT SUBMISSION TO TAC IN FIRST INSTANCE IS NOT RPT NOT NECESSARY, DESPITE REFERENCES IN GC RECORD.

7. REMAINING OPTIONS ARE DIRECT SUBMISSION TO FEB. BOARD, OR SUBMISSION TO JUNE BOARD WITH OR WITHOUT PRIOR DISCUSSION BY A&B COMMITTEE IN EARLY APRIL. ARGUMENTS CITED AS FOLLOWS:

A. FEBRUARY BOARD -- WOULD DISPOSE OF DISCUSSION AND FORMAL ACTION ON BOARD REPORT TO GC BEFORE DISCUSSION OF 1975 BUDGET AND TARGET LATER IN SPRING. WHILE IT WOULD NOT SHUT LDCS OFF FROM TALKING ABOUT MATTER LATER, HAVING FORMAL ACTION ON RECORD WOULD MAKE IT DIFFICULT TO RECONSIDER OR CHANGE. DONORS LIKELY TO BE MORE RESPONSIVE ON TARGET LEVEL (WHICH WILL BE INCREASED IN AMOUNT STILL TO BE NEGOTIATED) IF THIS ADDITIONAL OBJECTIONABLE ITEM IS NOT AROUND TO CONFUSE SITUATION AND CAUSE THEM TO BECOME TOTALLY LIMITED OFFICIAL USE

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INTRANSIGENT.

B. APRIL A&B COMMITTEE -- AS ITEM BASICALLY RELATING TO FINANCING, SHOULD GO TO A&B COMMITTEE ALONG WITH BUDGET AND TARGET IN FIRST INSTANCE. WOULD CONFINE DISCUSSION TO COMMITTEE, RATHER THAN BRINGING IT TO MESS UP FULL BOARD RECORD. WOULD PACKAGE STUDY AND TARGET INCREASE INTO SAME MEETING, ENABLING DONORS TO GIVE LDCS SOMETHING TO TAKE HOME IN LIEU OF NEGATIVE RESULTS OF STUDY.

C. JUNE BOARD -- WOULD POSTPONE FRUITLESS DISCUSSION AS LONG AS POSSIBLE, AVOIDING CLUTTERING UP FEBRUARY BOARD AND A&B COMMITTEE WITH DISCUSSION LIKELY TO BE REPEATED IN JUNE BY LDCS IN ANY EVENT.

8. AT THIS POINT, DG EKLUND IS APPARENTLY IN FAVOR OF DELAYING MATTER AS LONG AS POSSIBLE, IE., TO A&B COMMITTEE OR TO JUNE BOARD, WHILE DDG GOSWAMI FAVORS RAISING AND HOPEFULLY OBTAINING FINAL DISPOSITION ON ITEM IN FEBRUARY; HE IS DEFINITELY OF OPINION THAT STUDY SHOULD COME TO BOARD IN FIRST INSTANCE RATHER THAN TO EITHER TAC OR A&B COMMITTEE.

9. COMMENT: SECRETARIAT THINKING ON SUBSTANCE OF STUDY SEEMS ALL THAT US COULD EXPECT AT THIS STAGE. ON TIMING/VENUE OF SUBMISSION TO BOARD, MISSION SEES MERIT IN ARGUMENTS ON BOTH SIDES AND HAS NO STRONG FEELING ONE WAY OR OTHER, EXCEPT TO NOTE THAT GOSWAMI IS GENERALLY ACCURATE JUDGE OF TEMPER AMONG LDCS AND WE ARE INCLINED TO GIVE HIS OPINIONS GOOD DEAL OF WEIGHT IN MATTER OF THIS SORT.

10. MISSION DOES FEEL THAT FURTHER CLARIFICATION AS SPECIFICALLY AS POSSIBLE OF US VIEWS AND POSSIBLE REACTIONS IF SUCH PROPOSAL IMPLEMENTED WOULD BE HELPFUL TO SECRETARIAT, SINCE THIS IS ONE OF MAJOR "IMPLICATIONS" THAT DG IS INSTRUCTED TO STUDY. MISSION SUGGESTS DEPT. CONSIDER WHETHER SUCH VIEWS RIGHT MOMENT TO DG OR APPROPRIATE OFFICIAL IN SECRETARIAT FOR THEIR FURTHER INFORMATION IN PREPARING STUDY.

11. DG EKLUND WILL BE IN US ON OFFICIAL VISIT OCT. 10-23, AND DURING HIS CONSULTATIONS MAY BRING UP THIS MATTER EVEN THOUGH HE SEEMS FULLY SUPPORT POSITION OF U.S. & OTHER MAJOR CONTRIBUTORS. DEPT. BRIEFING ON US VIEWS THIS PROPOSAL AND ITS PROBABLE CONSEQUENCES MIGHT BE HELPFUL TO HIM, SO HE CAN ACCURATELY REFLECT U.S. POSITION IN HIS FUTURE TALKS WITH DEVELOPING COUNTRIES REPS. LIMITED OFFICIAL USE

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12. ACTION REQUESTED: A. DEPT. CONSIDER BRIEFING AND DISCUSSION OF SUBJECT WITH DG WHILE HE IS IN US.

B. DEPT. CONSIDER WHETHER MISSION MIGHT SEND LETTER ON SUBJECT TO SECRETARIAT, AND, IF SO, GUIDANCE AS TO HOW SPECIFIC WE CAN BE IN CONTENT OF LETTER. PORTER

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